

**HOUSING AUTHORITY OF  
NATCHITOCHES PARISH  
Natchitoches, Louisiana**

**Basic Financial Statements  
With Independent Auditors' Reports  
As of and for the Year Ended  
June 30, 2006  
With Supplemental Information Schedules**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1-31-07

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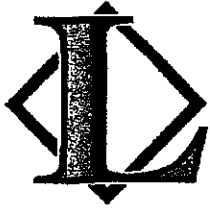
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Natchitoches, Louisiana  
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**LITTLE & ASSOCIATES LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

Wm. TODD LITTLE, CPA  
CHARLES R. MARCHBANKS, JR., CPA

**Independent Auditors' Report**

To the Board of Commissioners  
Housing Authority of Natchitoches Parish  
Natchitoches, Louisiana

We have audited the accompanying financial statements of the business-type activities and each major fund of the Housing Authority of Natchitoches Parish as of and for the year ended June 30, 2006, which collectively comprise the Housing Authority's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the Housing Authority of Natchitoches Parish as of June 30, 2006, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 1, 2006, on our consideration of the Housing Authority of Natchitoches Parish's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an

audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 8 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority's basic financial statements. The financial data schedule, the schedule of expenditures of federal awards, and the other supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the Housing Authority of Natchitoches Parish, Louisiana. Such supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Little & Associates, LLC*

Monroe, Louisiana  
December 1, 2006

## ***Management's Discussion and Analysis***

# **Housing Authority of Natchitoches Parish, Louisiana**

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## **Management's Discussion and Analysis (MD&A)**

**June 30, 2006**

**(Unaudited)**

We, the management of the Housing Authority of Natchitoches Parish, Louisiana (the "Housing Authority"), present the following discussion and analysis of the Housing Authority's financial activities for the fiscal year ending June 30, 2006. This represents an overview of financial information. Please read this discussion and analysis in conjunction with the Housing Authority's audited financial statements, which follows.

### **FINANCIAL HIGHLIGHTS**

- The assets of the Housing Authority exceeded its liabilities by \$2,781,225 at the close of the fiscal year ended 2006. Of this amount, \$627,641 of unrestricted assets may be used to meet the Housing Authority's ongoing obligations to citizens and creditors. This amount is approximately forty percent (40%), or about five months, of the total operating expenses (before depreciation expense) for the fiscal year 2006. Net assets of \$2,153,584 represents restrictions equal to the net amount invested in land, building, furnishings, leasehold improvements, and equipment of \$7,166,442, net of accumulated depreciation of \$5,012,858.
- The Housing Authority's total net assets decreased by \$55,825, approximately 2%, from fiscal year 2005.
- The Housing Authority continues to operate without the need to incur debt for operating purposes.

### **USING THIS ANNUAL REPORT**

This discussion and analysis is intended to serve as an introduction to the Housing Authority's financial statements. The Housing Authority's basic financial statements are comprised of two components: 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The Housing Authority is a special-purpose government engaged only in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements.

The financial statements are designed to provide readers with a broad overview of the Housing Authority's finances in a manner similar to a private sector business.

The *balance sheet* presents information on all of the Housing Authority's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Housing Authority is improving or deteriorating, or otherwise changing in a dramatic manner.

## Management's Discussion and Analysis (MD&A)

June 30, 2006

(Unaudited)

The *statement of revenue, expenses and changes in net assets* presents information detailing how the Housing Authority's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., earned but unused vacation leave).

The *statement of cash flows* provides information about the Housing Authority's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities.

These financial statements report on the functions of the Housing Authority that are principally supported by intergovernmental revenues. The Housing Authority's function is to provide decent, safe, and sanitary housing to low-income and special needs populations, which is primarily funded with grant revenue received from the U. S. Department of Housing and Urban Development (HUD) and dwelling rentals.

### HOUSING AUTHORITY'S SIGNIFICANT PROGRAMS

The Housing Authority has many programs that are consolidated into a single enterprise fund. The Housing Authority's significant programs consist of the following:

***Low-Income Public Housing*** – Under the Conventional Public Housing Program, the Housing Authority rents units it owns to low-income families. The Conventional Public Housing Program is operated under an Annual Contribution Contract (ACC) with HUD, and HUD provides an Operating Subsidy to enable the Housing Authority to provide housing at a rent that is based upon 30% of adjusted gross household income.

***Capital Fund Program*** – The Conventional Public Housing Program also includes the Capital Fund Program, the primary funding source for the Housing Authority's physical and management improvements. The formula funding methodology is based on size and age of the Housing Authority's units.

***Section 8 Housing Assistance – Housing Choice Voucher Program*** – These programs assist low-income families in affording decent, safe and sanitary housing by encouraging property owners to construct new, or rehabilitate existing substandard housing, and then lease the units with rental subsidies to low-income families.

### FINANCIAL ANALYSIS

#### ***Fund Financial Statements***

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Housing Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The



## Management's Discussion and Analysis (MD&A)

June 30, 2006

(Unaudited)

Housing Authority has only one fund type, namely an enterprise fund which is a proprietary fund type. The Housing Authority maintains several funds. The general fund is used to account for the low rent and capital fund programs. The Section 8 Housing Choice Vouchers fund accounts for the Housing Authority's administration of the Section 8 program and for the housing assistance payments made to landlords. The fund financial statements can be found on pages 9 through 14 of this report.

### *Notes to the Financial Statements*

Notes provide additional information essential to a full understanding of the data provided in the financial statements. Notes to the financial statements can be found on pages 15 through 24 of this report.

### *Net Assets and Changes in Net Assets*

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Housing Authority, assets exceeded liabilities by \$2,781,225 at June 30, 2006. By far the largest portion of the Housing Authority's net assets (81%) reflects its investments in capital assets (e.g., buildings, machinery, and equipment). The Housing Authority uses these capital assets to provide housing services to residents. The unrestricted net assets of the Housing Authority are available for future use to provide program services. An analysis of net assets and changes in net assets is as follows:

|   | 2006                | 2005                |
|---|---------------------|---------------------|
| Current assets                                  | \$ 746,346          | \$ 604,403          |
| Restricted assets                               | 18,167              | 10,516              |
| Capital assets, net                             | 2,153,584           | 2,305,601           |
| Total assets                                    | <u>2,918,097</u>    | <u>2,920,520</u>    |
| Current liabilities                             | 127,028             | 74,715              |
| Long-term liabilities                           | 9,844               | 8,755               |
| Total liabilities                               | <u>136,872</u>      | <u>83,470</u>       |
| Net assets                                      |                     |                     |
| Invested in capital assets, net of related debt | 2,153,584           | 2,305,601           |
| Restricted                                      | -                   | -                   |
| Unrestricted                                    | 627,641             | 531,449             |
| Total net assets                                | <u>\$ 2,781,225</u> | <u>\$ 2,837,050</u> |

## Management's Discussion and Analysis (MD&A)

June 30, 2006

(Unaudited)

### Change in Net Assets

|                                  | 2006                | 2005                |
|----------------------------------|---------------------|---------------------|
| Revenues:                        |                     |                     |
| Dwelling rental and other        | \$ 173,260          | \$ 150,209          |
| Interest earnings                | 16,265              | 7,051               |
| Federal grants                   | 1,511,117           | 1,657,578           |
| Capital contributions            | 66,274              | -                   |
| Total revenues                   | <u>1,766,916</u>    | <u>1,814,838</u>    |
| Expenses:                        |                     |                     |
| Administration                   | 384,629             | 364,920             |
| Tenant services                  | 1,010               | 2,780               |
| Utilities                        | 14,940              | 12,971              |
| Ordinary maintenance and repairs | 152,036             | 122,436             |
| General expenses                 | 79,479              | 55,190              |
| Housing assistance payments      | 943,276             | 1,032,339           |
| Depreciation and amortization    | 247,371             | 239,850             |
|                                  | <u>1,822,741</u>    | <u>1,830,486</u>    |
| Change in net assets             | (55,825)            | (15,648)            |
| Beginning net assets             | <u>2,837,050</u>    | <u>2,852,698</u>    |
| Ending net assets                | <u>\$ 2,781,225</u> | <u>\$ 2,837,050</u> |

Total revenues decreased by \$47,922 due primarily to:

- Decrease in funding from the Capital Fund Programs
- Total expenses decreased by \$7,745 due primarily to an increase in personnel costs and other administrative costs of \$19,709 and ordinary maintenance and repairs of \$29,600 which was offset by decreases in housing assistance payments of \$89,063.

## Management's Discussion and Analysis (MD&A)

June 30, 2006

(Unaudited)

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### *Capital Assets*

As of June 30, 2006, the Housing Authority's investment in capital assets was \$ 2,153,584 (net of accumulated depreciation) as reflected in the following schedule. This amount represents a decrease (including additions, deductions, and depreciation) of \$152,017.

|                               | 2006                | 2005                |
|-------------------------------|---------------------|---------------------|
| Land                          | \$ 221,890          | \$ 221,890          |
| Buildings and improvements    | 6,535,916           | 6,535,918           |
| Furniture and equipment       | 355,547             | 313,280             |
| Construction in progress      | 53,089              | -                   |
| Totals                        | 7,166,442           | 7,071,088           |
| Less accumulated depreciation | (5,012,858)         | (4,765,487)         |
|                               | <u>\$ 2,153,584</u> | <u>\$ 2,305,601</u> |

Major capital asset purchases during the year ended June 30, 2006, included costs related to dwelling structure improvements and equipment. Additional information on the Housing Authority's capital assets can be found in the notes to the financial statements.

#### *Debt*

The Housing Authority's debt consists of accrued annual leave. We present more detail about our debt in the notes to the financial statements.

#### **Economic Factors and Next Year's Budgets and Rates**

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by the Federal budget than by local economic conditions. The Budgets for 2006 - 2007 have already been approved by HUD and no major changes are expected.

The budgets under the Capital Fund Program are multiple year budgets and have remained relatively stable. Capital funds are used for the modernization of public housing properties including administrative fees involved in the modernization.

## **Management's Discussion and Analysis (MD&A)**

**June 30, 2006**

**(Unaudited)**

### **Contacting the Authority's Financial Management**

This financial report is designed to provide a general overview of the Housing Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Theresa F. Gibson, the Executive Director, at the Housing Authority of Natchitoches Parish, Louisiana telephone number (318) 357-0553.

## ***Basic Financial Statements***

## STATEMENT A

## HOUSING AUTHORITY OF NATCHITOCHES PARISH

BALANCE SHEET  
ENTERPRISE FUNDS  
JUNE 30, 2006

|   | GENERAL             | HOUSING<br>ASSISTANCE<br>PROGRAMS | TOTAL<br>PRIMARY<br>GOVERNMENT | COMPONENT<br>UNIT<br>ASSISTED AND<br>SAFE HOMES, INC. | TOTAL               |
|---|---------------------|-----------------------------------|--------------------------------|---|---------------------|
| <b>ASSETS</b>   |                     |                                   |                                |   |                     |
| Current Assets:   |                     |                                   |                                |   |                     |
| Cash and cash equivalents                                 | \$ 56,999           | \$ 196,551                        | \$ 253,150                     | \$ 3,926  | \$ 257,076          |
| Investments   | 329,206             | 104,192                           | 433,398                        | -   | 433,398             |
| Receivables (net of allowances for uncollectibles)        | 23,550              | 465                               | 24,015                         | -   | 24,015              |
| Inventory   | 6,124               | -                                 | 6,124                          | -   | 6,124               |
| Prepaid expenses  | 29,591              | 68                                | 29,659                         | -   | 29,659              |
| Total Current Assets                                      | 464,037             | 282,309                           | 746,346                        | 3,926   | 750,272             |
| Restricted Assets:  |                     |                                   |                                |   |                     |
| Cash and cash equivalents-tenant security deposits        | 8,858               | -                                 | 8,858                          | -   | 8,858               |
| Cash and cash equivalents-escrow account                  | -                   | 9,309                             | 9,309                          | -   | 9,309               |
| Total Restricted Assets                                   | 8,858               | 9,309                             | 18,167                         | -   | 18,167              |
| Noncurrent Assets:  |                     |                                   |                                |   |                     |
| Capital assets:   |                     |                                   |                                |   |                     |
| Land  | 221,890             | -                                 | 221,890                        | 63,000  | 284,890             |
| Construction In Progress                                  | 53,089              | -                                 | 53,089                         | -   | 53,089              |
| Buildings and equipment (net of accumulated depreciation) | 1,878,605           | -                                 | 1,878,605                      | 230,716   | 2,109,321           |
| Total Non-Current Assets                                  | 2,153,584           | -                                 | 2,153,584                      | 293,716   | 2,447,300           |
| <b>TOTAL ASSETS</b>                                       | <b>\$ 2,626,479</b> | <b>\$ 291,618</b>                 | <b>\$ 2,918,097</b>            | <b>\$ 297,642</b>                                     | <b>\$ 3,215,739</b> |

(CONTINUED)

The accompanying notes are an integral part of this statement.

## STATEMENT A

## HOUSING AUTHORITY OF NATCHITOCHES PARISH

BALANCE SHEET  
ENTERPRISE FUNDS  
JUNE 30, 2006

|  | GENERAL      | HOUSING<br>ASSISTANCE<br>PROGRAMS | TOTAL<br>PRIMARY<br>GOVERNMENT | COMPONENT<br>UNIT<br>ASSISTED AND<br>SAFE HOMES, INC. | TOTAL        |
|--|--------------|-----------------------------------|--------------------------------|---|--------------|
| <b>LIABILITIES</b>   |              |                                   |                                |   |              |
| Current Liabilities:   | \$ 19,388    | \$ -                              | \$ 19,388                      | \$ -  | \$ 19,388    |
| Accounts payable   | -            | 465                               | 465                            | -   | 465          |
| Accounts payable - HUD   | 4,881        | 1,096                             | 5,977                          | -   | 5,977        |
| Accrued wages and payroll taxes  | 24,516       | 988                               | 25,504                         | -   | 25,504       |
| Deferred revenues  | 51,207       | -                                 | 51,207                         | -   | 51,207       |
| Due to other governments   | -            | -                                 | -                              | -   | -            |
| Note payable   | -            | -                                 | -                              | 306,481   | 306,481      |
| Other liabilities  | -            | 9,309                             | 9,309                          | -   | 9,309        |
| Accrued compensated absences -<br>current portion                                | 4,260        | 2,060                             | 6,320                          | -   | 6,320        |
| Total Current Liabilities  | 104,252      | 13,918                            | 118,170                        | 306,481   | 424,651      |
| Current liabilities payable from<br>restricted assets - tenant security deposits | 8,858        | -                                 | 8,858                          | -   | 8,858        |
| Noncurrent Liabilities:  |              |                                   |                                |   |              |
| Accrued compensated absences -<br>net of current portion                         | 5,492        | 4,352                             | 9,844                          | -   | 9,844        |
| Total Non-Current Liabilities  | 5,492        | 4,352                             | 9,844                          | -   | 9,844        |
| Total Liabilities  | 118,602      | 18,270                            | 136,872                        | 306,481   | 443,353      |
| <b>NET ASSETS</b>  |              |                                   |                                |   |              |
| Invested in capital assets, net of related debt                                  | 2,153,584    | -                                 | 2,153,584                      | (12,765)  | 2,140,819    |
| Unrestricted   | 354,293      | 273,348                           | 627,641                        | 3,926   | 631,567      |
| Total Net Assets   | 2,507,877    | 273,348                           | 2,781,225                      | (8,839)   | 2,772,386    |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>  | \$ 2,626,479 | \$ 291,618                        | \$ 2,918,097                   | \$ 297,642  | \$ 3,215,739 |

(CONCLUDED)

The accompanying notes are an integral part of this statement.

## STATEMENT B

**HOUSING AUTHORITY OF NATCHITOCHES PARISH**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2006**

|   | GENERAL             | HOUSING<br>ASSISTANCE<br>PROGRAMS | TOTAL<br>PRIMARY<br>GOVERNMENT | COMPONENT<br>UNIT<br>ASSISTED AND<br>SAFE HOMES, INC. | TOTAL               |
|---|---------------------|-----------------------------------|--------------------------------|---|---------------------|
| <b>OPERATING REVENUES</b>                                       |                     |                                   |                                |   |                     |
| Dwelling rental   | \$ 123,993          | \$ -                              | \$ 123,993                     | \$ 20,746   | \$ 144,739          |
| Other   | 43,025              | -                                 | 43,025                         | 4,323   | 47,348              |
| Total Operating Revenues  | <u>167,018</u>      | <u>-</u>                          | <u>167,018</u>                 | <u>25,069</u>   | <u>192,087</u>      |
| <b>OPERATING EXPENSES</b>                                       |                     |                                   |                                |   |                     |
| Administration  | 259,705             | 124,924                           | 384,629                        | 14,871  | 399,500             |
| Tenant services   | 1,010               | -                                 | 1,010                          | -   | 1,010               |
| Utilities   | 14,940              | -                                 | 14,940                         | -   | 14,940              |
| Ordinary maintenance and operations                             | 151,982             | 54                                | 152,036                        | 2,458   | 154,494             |
| General expenses  | 59,088              | 20,391                            | 79,479                         | 4,658   | 84,137              |
| Housing assistance payments                                     | -                   | 943,276                           | 943,276                        | -   | 943,276             |
| Depreciation  | 247,371             | -                                 | 247,371                        | 6,284   | 253,655             |
| Total Operating Expenses  | <u>734,046</u>      | <u>1,088,645</u>                  | <u>1,822,741</u>               | <u>28,271</u>   | <u>1,851,012</u>    |
| <b>OPERATING INCOME (LOSS)</b>                                  | <u>(567,078)</u>    | <u>(1,088,645)</u>                | <u>(1,655,723)</u>             | <u>(3,202)</u>  | <u>(1,658,925)</u>  |
| <b>NONOPERATING REVENUES (EXPENSES)</b>                         |                     |                                   |                                |   |                     |
| Interest earnings   | 11,908              | 4,357                             | 16,265                         | 30  | 16,295              |
| Interest expense  | -                   | -                                 | -                              | (20,605)  | (20,605)            |
| Other   | -                   | 6,242                             | 6,242                          | -   | 6,242               |
| Federal grants  | 297,578             | 1,213,539                         | 1,511,117                      | -   | 1,511,117           |
| Total Nonoperating Revenues (Expenses)                          | <u>309,486</u>      | <u>1,224,138</u>                  | <u>1,533,624</u>               | <u>(20,575)</u>                                       | <u>1,513,049</u>    |
| <b>NET INCOME (LOSS) BEFORE<br/>CONTRIBUTIONS AND TRANSFERS</b> | <u>(257,592)</u>    | <u>135,493</u>                    | <u>(122,099)</u>               | <u>(23,777)</u>                                       | <u>(145,876)</u>    |
| Capital contributions   | 66,274              | -                                 | 66,274                         | -   | 66,274              |
| <b>CHANGE IN NET ASSETS</b>                                     | <u>(191,318)</u>    | <u>135,493</u>                    | <u>(55,825)</u>                | <u>(23,777)</u>                                       | <u>(79,602)</u>     |
| <b>TOTAL NET ASSETS - BEGINNING</b>                             | <u>2,699,195</u>    | <u>137,855</u>                    | <u>2,837,050</u>               | <u>14,938</u>   | <u>2,851,988</u>    |
| <b>TOTAL NET ASSETS - ENDING</b>                                | <u>\$ 2,507,877</u> | <u>\$ 273,348</u>                 | <u>\$ 2,781,225</u>            | <u>\$ (8,839)</u>                                     | <u>\$ 2,772,386</u> |

The accompanying notes are an integral part of this statement.



## STATEMENT C

**HOUSING AUTHORITY OF NATCHITOCHIES PARISH**  
**STATEMENT OF CASH FLOWS**  
**ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2006**

|  | GENERAL    | HOUSING<br>ASSISTANCE<br>PROGRAMS | TOTAL<br>PRIMARY<br>GOVERNMENT | COMPONENT<br>UNIT<br>ASSISTED AND<br>SAFE HOMES, INC. | TOTAL       |
|--|------------|-----------------------------------|--------------------------------|---|-------------|
| <b>Cash Flows From Operating Activities</b>                          |            |                                   |                                |   |             |
| Dwelling rent receipts   | \$ 114,485 | -                                 | \$ 114,485                     | \$ -  | \$ 114,485  |
| Other receipts   | 43,584     | -                                 | 43,584                         | 25,069  | 68,653      |
| Payments to suppliers  | (245,794)  | (46,376)                          | (292,170)                      | (21,987)  | (314,157)   |
| Payments to employees  | (228,224)  | (78,362)                          | (306,586)                      | -   | (306,586)   |
| Housing assistance payments  | -          | (943,276)                         | (943,276)                      | -   | (943,276)   |
| Net Cash Provided (Used) by Operating Activities                     | (315,949)  | (1,068,014)                       | (1,383,963)                    | 3,082   | (1,380,881) |
| <b>Cash Flows From NonCapital Financing Activities</b>               |            |                                   |                                |   |             |
| Advances (to) from other funds                                       | (8,452)    | 8,452                             | -                              | -   | -           |
| Other receipts   | -          | 6,460                             | 6,460                          | -   | 6,460       |
| Federal grants   | 322,094    | 1,213,211                         | 1,535,305                      | -   | 1,535,305   |
| Net Cash Provided (Used) by Noncapital Financing Activities          | 313,642    | 1,228,123                         | 1,541,765                      | -   | 1,541,765   |
| <b>Cash Flows From Capital and Related Financing Activities</b>      |            |                                   |                                |   |             |
| Proceeds from capital debt   | -          | -                                 | -                              | 306,481   | 306,481     |
| Interest paid on capital debt  | -          | -                                 | -                              | (20,605)  | (20,605)    |
| Contributed Capital  | 60,208     | -                                 | 60,208                         | -   | 60,208      |
| Acquisition and construction of capital assets                       | (95,354)   | -                                 | (95,354)                       | (300,000)   | (395,354)   |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (35,146)   | -                                 | (35,146)                       | (14,124)  | (49,270)    |
| <b>Cash Flows From Investing Activities</b>                          |            |                                   |                                |   |             |
| (Increase) Decrease in investments                                   | 44,228     | (3,395)                           | 40,833                         | -   | 40,833      |
| Interest and dividends received                                      | 12,218     | 4,357                             | 16,575                         | 30  | 16,605      |
| Net Cash Provided (Used) by Investing Activities                     | 56,446     | 962                               | 57,408                         | 30  | 57,438      |
| Net Increase in Cash and Cash Equivalents                            | 18,993     | 161,071                           | 180,064                        | (11,012)  | 169,052     |
| Cash and Cash Equivalents, Beginning of Year                         | 46,464     | 35,480                            | 81,944                         | 14,938  | 96,882      |
| Cash and Cash Equivalents, End of Year                               | \$ 65,457  | \$ 196,551                        | \$ 262,008                     | \$ 3,926  | \$ 265,934  |

The accompanying notes are an integral part of this statement.

## HOUSING AUTHORITY OF NATCHITOCHES PARISH

STATEMENT OF CASH FLOWS  
ENTERPRISE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2006

|   | GENERAL      | HOUSING<br>ASSISTANCE<br>PROGRAMS | TOTAL<br>PRIMARY<br>GOVERNMENT | COMPONENT<br>UNIT<br>ASSISTED AND<br>SAFE HOMES, INC. | TOTAL          |
|---|--------------|-----------------------------------|--------------------------------|---|----------------|
|   | \$           | \$                                | \$                             | \$  | \$             |
| Operating income (loss)   | (567,078)    | (1,088,645)                       | (1,655,723)                    | (3,202)   | (1,658,925)    |
| Adjustments to reconcile operating income (loss) to<br>net cash provided by operating activities: |              |                                   |                                |   |                |
| Depreciation expense  | 247,371      | -                                 | 247,371                        | 6,284   | 253,655        |
| Changes in assets and liabilities:  |              |                                   |                                |   |                |
| (Increase) decrease in accounts receivable, net   | (9,106)      | 13,340                            | 4,234                          | -   | 4,234          |
| (Increase) decrease in due from other funds   | -            | (271)                             | (271)                          | -   | (271)          |
| (Increase) decrease in inventories  | (370)        | -                                 | (370)                          | -   | (370)          |
| (Increase) decrease in prepaid items  | (6,817)      | 4,504                             | (2,313)                        | -   | (2,313)        |
| Increase (decrease) in accounts payable   | 20,741       | (650)                             | 20,091                         | -   | 20,091         |
| Increase (decrease) in customer deposits  | 559          | 1,095                             | 1,654                          | -   | 1,654          |
| Increase (decrease) in compensated absences   | (847)        | 1,625                             | 778                            | -   | 778            |
| Increase (decrease) in deferred revenue   | (402)        | 988                               | 586                            | -   | 586            |
| Total Adjustments   | 251,129      | 20,631                            | 271,760                        | 6,284   | 278,044        |
| Net Cash Provided by Operating Activities   | \$ (315,949) | \$ (1,068,014)                    | \$ (1,383,963)                 | \$ 3,082  | \$ (1,380,881) |

## Reconciliation of Operating Income to Net Cash Provided (Used)

## by Operating Activities

## Operating income (loss)

Adjustments to reconcile operating income (loss) to

net cash provided by operating activities:

## Depreciation expense

## Changes in assets and liabilities:

(Increase) decrease in accounts receivable, net

(Increase) decrease in due from other funds

(Increase) decrease in inventories

(Increase) decrease in prepaid items

Increase (decrease) in accounts payable

Increase (decrease) in customer deposits

Increase (decrease) in compensated absences

Increase (decrease) in deferred revenue

## Total Adjustments

## Net Cash Provided by Operating Activities

(CONCLUDED)

The accompanying notes are an integral part of this statement.

***Notes to the Financial Statements***

**HOUSING AUTHORITY OF NATCHITOCHES PARISH**  
Natchitoches, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended June 30, 2006

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. REPORTING ENTITY**

The Housing Authority of Natchitoches Parish, Louisiana (the "Housing Authority") was chartered as a public corporation for the purpose of providing safe and sanitary housing, as authorized by Louisiana Revised Statute 40:391. The Housing Authority is governed by a five-member board of commissioners, who are appointed by the Parish Police Jury of Natchitoches Parish. The members of the board of commissioners serve staggered five-year terms without benefit of compensation.

The Housing Authority has the following units:

|                                    | <u>Number<br/>of Units</u> |
|------------------------------------|----------------------------|
| PHA Owned Housing                  | 91                         |
| Section 8 – Housing Choice Voucher | 344                        |

The Housing Authority also manages 62 units through management contracts for two projects.

Governmental Accounting Standards Board (GASB) Statements No. 14 and No. 39 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Housing Authority of Natchitoches Parish is considered a primary government, since it is a special purpose government that has a separate governing body, is legally separate, and is fiscally independent of other state or local governments. As defined by GASB Statement No. 14, fiscally independent means that the Housing Authority may, without approval or consent of another governmental entity, determine or modify its own budget, set rates or charges, and issue bonded debt.

GASB Statement No. 14 defines a related organization as an organization for which a primary government is accountable because that government appoints a voting majority of the board, but is not financially accountable. According to this definition, the Housing Authority is a related organization of Natchitoches Parish, Louisiana since the Parish appoints a voting majority of the Housing Authority's governing board. The Parish is not financially accountable for the Housing Authority as it cannot impose its will on the Housing Authority and there is no potential for the Housing Authority to provide financial benefit to, or impose financial burdens on, Natchitoches Parish. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of Natchitoches Parish.

**HOUSING AUTHORITY OF NATCHITOCHES PARISH**  
Natchitoches, Louisiana

**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2006**

GASB Statements No. 14 and No. 39 establish criteria for determining which, if any, component units should be considered part of the Housing Authority for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability, which includes:

1. Appointing a voting majority of an organization's governing body, and:
  - a. The ability of the government to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the government.
2. Organizations for which the government does not appoint a voting majority but are fiscally dependent on the government.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Housing Authority has determined that Assisted and Safe Homes, Inc. (the "Organization") is a component unit of the Housing Authority. The members of the Board of Commissioners of the Housing Authority serve on the Board of Directors of the Organization. The Housing Authority's Board of Commissioners maintains a voting majority of the Organization's Board of Directors, and the Housing Authority has the ability to impose its will on the Organization. As a result, the Housing Authority has included the financial statements of Assisted and Safe Homes, Inc. in its financial statements through discrete presentation. The financial position, changes in net assets, and cash flows of Assisted and Safe Homes, Inc. are presented as of and for the year ended December 31, 2005. The separate financial statements of Assisted and Safe Homes, Inc. can be obtained from the Natchitoches Parish Housing Authority, 529 Fourth Street, Natchitoches, Louisiana.

**B. BASIS OF PRESENTATION AND FUNDS**

The accounts of the Housing Authority are organized and operated on a fund basis whereby a self-balancing set of accounts, which comprise the Housing Authority's assets, liabilities, net assets, revenues, and expenses, is maintained. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

All funds of the Housing Authority are classified as proprietary. Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which together with the maintenance of equity,

HOUSING AUTHORITY OF NATCHITOCHES PARISH  
Natchitoches, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended June 30, 2006

is an important financial indicator. The general fund accounts for the transactions of the public housing low rent program and the capital funds program. The other fund reported by the Housing Authority is the housing assistance programs fund, which consists primarily of the Section 8 – Housing Choice Vouchers Program for which the Housing Authority is the contract administrator.

The Housing Authority's operating revenues include dwelling rentals, tenant charges, and other revenues. Revenues that are not classified as operating revenues are presented as nonoperating revenues or capital contributions depending on the purpose of the revenue.

The accompanying basic financial statements of the Housing Authority have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (the "GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis—for State and Local Governments* (the "Statement").

#### **C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The proprietary funds are reported in the accompanying financial statements on the accrual basis of accounting. Under this method, revenues are recognized when they are earned, and expenses are recognized when they are incurred. The Housing Authority has elected, pursuant to GASB Statement No. 20, to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

#### **D. BUDGET PRACTICES**

The Housing Authority adopted budgets for all funds. Budgets for the Capital Funds Programs are multiple-year budgets.

HUD approves all budgets for all HUD-funded programs. Such budgets are controlled by fund at the function level. Budgetary amendments require approval of the board of commissioners and, in certain instances HUD; however, the Executive Director is authorized to transfer amounts between line items within the low rent program provided such transfer does not change the total of any function. Monthly budget reports are reviewed to ensure compliance with the budget, and where necessary, revisions to the budget are made. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

**HOUSING AUTHORITY OF NATCHITOCHES PARISH**  
Natchitoches, Louisiana

**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2006**

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded. In addition, monthly budget reports are reviewed to ensure compliance with the budget, and where necessary, revisions to the budget are made.

Formal budgetary integration is employed as a management control device during the year.

**E. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include amounts in demand deposits (including interest-bearing), time deposits having an original maturity of ninety days or less, and cash with the fiscal agent. Under state law, the Housing authority may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Housing Authority may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

**F. INVESTMENTS**

Investments are limited by LSA-RS 33:2955 and the Housing Authority's investment policy. Financial instruments having original maturities exceeding ninety days are classified as investments; however, if the original maturities are ninety days or less, they are classified as cash equivalents. Investments are reported at either fair value or amortized cost in accordance with GASB Statement No. 31.

**G. BAD DEBTS**

Uncollectible amounts due from tenants are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate that the amount of the particular receivable is uncollectible.

**H. INTERNAL BALANCES**

During the course of operations, numerous transactions occur between individual funds and programs for services rendered or for reimbursement of costs paid by one fund or program on behalf of another fund or program. These receivables and payables are classified in internal balances on the balance sheet. The internal balances are eliminated at the reporting level in the balance sheet.

HOUSING AUTHORITY OF NATCHITOCHES PARISH  
Natchitoches, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended June 30, 2006

**I. INVENTORY**

All inventory items are valued at cost using the first-in, first-out method. Inventory is recorded using the purchase method. At year-end, the amount of inventory is recorded for external financial reporting purposes.

**J. PREPAID EXPENSES**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

**K. TENANTS' REFUNDABLE SECURITY DEPOSITS**

The Housing Authority requires tenants to place a deposit before moving into a unit. These deposits are considered restricted and are held until the tenant moves out.

**L. CAPITAL ASSETS**

Capital assets of the Housing Authority are included on the balance sheet of the enterprise fund and are recorded at actual cost. The capitalization threshold is \$250. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Depreciation is computed using the straight-line method over estimated useful lives as shown:

|                                |           |
|--------------------------------|-----------|
| Buildings                      | 33 years  |
| Building and site improvements | 15 years  |
| Furniture and fixtures         | 5-7 years |
| Computers                      | 3 years   |

**M. VACATION AND SICK LEAVE**

The Housing Authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Employees may accumulate up to three hundred hours of annual leave, which may be received upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by the employee's retirement or termination date.



HOUSING AUTHORITY OF NATCHITOCHE PARISH  
Natchitoches, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended June 30, 2006

**N. RESTRICTED NET ASSETS**

Net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

**O. RISK MANAGEMENT**

The Housing Authority is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; and injuries to employees. To handle such risk of loss, the Housing Authority maintains commercial insurance policies covering property, employee liability, and public officials' liability. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended June 30, 2006.

**P. USE OF ESTIMATES**

The preparation of financial statements in conformity with U. S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

**2. DEPOSITS AND INVESTMENTS**

Deposits are stated at cost, which approximates fair value. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

At June 30, 2006, the Housing Authority's carrying amount of deposits was \$704,615, which includes the following:

|  |                          |
|--|--------------------------|
| Cash and cash equivalents - unrestricted | \$ 253,050               |
| Cash and cash equivalents - restricted   | 18,167                   |
| Investments in certificates of deposit   | <u>433,398</u>           |
| Total                                    | <u><u>\$ 704,615</u></u> |

HOUSING AUTHORITY OF NATCHITOCHES PARISH  
Natchitoches, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended June 30, 2006

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2006, \$333,398 of the Housing Authority's total bank balance of \$643,182 was exposed to custodial credit risk as follows:

|   |                  |
|---|------------------|
| Uninsured and collateral held by pledging bank<br>not in the Housing Authority's name | \$ 333,398       |
| Total   | <u>\$333,398</u> |

As of December 31, 2005, Assisted Safe Homes, Inc. had a total bank balance of \$4,097, none of which was exposed to custodial credit risk.

### 3. RESTRICTED ASSETS

Restricted assets at June 30, 2006, are as follows:

|   |                  |
|---|------------------|
| Cash and cash equivalents – tenants security deposits | \$ 8,858         |
| Cash and cash equivalents – Section 8 escrow account  | 9,309            |
| Total restricted assets                               | <u>\$ 18,167</u> |

### 4. RECEIVABLES

The following is a summary of receivables, net of allowance for doubtful accounts, at June 30, 2006:

|                                      | General          | Housing<br>Assistance<br>Programs | Total            |
|--------------------------------------|------------------|-----------------------------------|------------------|
| Tenants - rents and other charges    | \$ 239           | \$ -                              | \$ 239           |
| Other                                | 17,446           | 465                               | \$ 17,911        |
| Federal and State Grants             | 6,065            | -                                 | 6,065            |
| Subtotal                             | 23,750           | 465                               | 24,215           |
| Less allowance for doubtful accounts | (200)            | -                                 | (200)            |
| Total                                | <u>\$ 23,550</u> | <u>\$ 465</u>                     | <u>\$ 24,015</u> |

HOUSING AUTHORITY OF NATCHITOCHES PARISH  
Natchitoches, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended June 30, 2006

**5. CAPITAL ASSETS**

The following presents the changes in capital assets:

**Primary Government:**

|                                | Balance at<br>July 1, 2005 | Additions           | Deletions   | Balance at<br>June 30, 2006 |
|--------------------------------|----------------------------|---------------------|-------------|-----------------------------|
| Land                           | \$ 221,890                 | \$ -                | \$ -        | \$ 221,890                  |
| Buildings and improvements     | 6,535,916                  | -                   | -           | 6,535,916                   |
| Furniture and equipment        | 313,281                    | 42,266              | -           | 355,547                     |
| Construction in progress       | -                          | 53,089              | -           | 53,089                      |
| <b>Total</b>                   | <b>7,071,087</b>           | <b>95,355</b>       | <b>-</b>    | <b>7,166,442</b>            |
| Less accumulated depreciation: |                            |                     |             |                             |
| Buildings and improvements     | \$ 4,468,576               | 230,159             | -           | 4,698,735                   |
| Furniture and equipment        | 296,911                    | 17,212              | -           | 314,123                     |
|                                | 4,765,487                  | 247,371             | -           | 5,012,858                   |
|                                | <b>\$ 2,305,600</b>        | <b>\$ (152,016)</b> | <b>\$ -</b> | <b>2,153,584</b>            |

**Component Unit:**

|                                | Balance at<br>December 31, 2004 | Additions         | Deletions   | Balance at<br>December 31, 2005 |
|--------------------------------|---------------------------------|-------------------|-------------|---------------------------------|
| Land                           | \$ -                            | \$ 63,000         | \$ -        | \$ 63,000                       |
| Buildings and improvements     | -                               | 237,000           | -           | 237,000                         |
| <b>Total</b>                   | <b>-</b>                        | <b>300,000</b>    | <b>-</b>    | <b>300,000</b>                  |
| Less accumulated depreciation: |                                 |                   |             |                                 |
| Buildings and improvements     | \$ -                            | 6,284             | -           | 6,284                           |
| <b>Total</b>                   | <b>-</b>                        | <b>6,284</b>      | <b>-</b>    | <b>6,284</b>                    |
| <b>Fixed assets, net</b>       | <b>\$ -</b>                     | <b>\$ 293,716</b> | <b>\$ -</b> | <b>\$ 293,716</b>               |

**HOUSING AUTHORITY OF NATCHITOCHES PARISH**  
Natchitoches, Louisiana

**Notes to the Financial Statements**  
**As of and for the Year Ended June 30, 2006**

**6. RETIREMENT SYSTEM**

The employees of the Housing Authority of Natchitoches Parish participated in the Housing-Renewal and Local Agency Retirement Plan, which is a defined contribution plan, through September 30, 2005. Through this plan, the Housing Authority provides pension benefits for all of its full-time employees. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. All regular, full-time employees are eligible to participate in the plan on the first day of the month following completion of three months of continuous uninterrupted employment. Each participant in the plan is required to make a monthly contribution equal to 6% of his basic compensation. The Housing Authority makes a monthly contribution equal to 8.5% of each participant's basic compensation. Employees are considered fully vested in the plan after five years of continuous participation. Forfeitures of Housing Authority's contributions and interest earnings by employees who leave before being fully vested are used to offset future contributions by the Housing Authority. At June 30, 2006, 2005, and 2004, the Housing Authority's contributions to the plan totaled, \$4,042, \$13,062, and \$10,761, respectively.

In October 2005, employees of the Housing Authority of Natchitoches Parish began participating in a 401(K) Plan in which the Housing Authority does not contribute an employer match.

**7. COMPENSATED ABSENCES**

At June 30, 2006, employees of the Housing Authority had accumulated and vested \$16,164 of employee leave benefits, computed in accordance with GASB Codification C60. These amounts are recorded as liabilities within the fund from which payment will be made.

The cost of leave privileges, computed in accordance with the previous codification, is recognized as a current year expenditure within the various funds when leave is actually taken or when employees are paid for accrued annual leave upon resignation or retirement, while the cost of leave privileges not requiring current resources is considered a long-term obligation.

HOUSING AUTHORITY OF NATCHITOCHES PARISH  
Natchitoches, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended June 30, 2006

**8. LONG-TERM OBLIGATIONS**

**Primary Government:**

Long-term obligations consist solely of compensated absences in the amount of \$16,164. The following is a summary of the changes in long-term obligations for the year ended June 30, 2006:

|   | Total                  |
|---|------------------------|
| Balance at July 1, 2005                       | \$ 15,386              |
| Additions                                     | 9,691                  |
| Retirements                                   | <u>(8,913)</u>         |
| Balance at June 30, 2006                      | 16,164                 |
| Less current portion of long-term obligations | <u>(6,320)</u>         |
| Long-term obligations                         | <u><u>\$ 9,844</u></u> |

**Discretely Presented Component Unit:**

Assisted and Safe Homes, Inc. entered into a loan agreement in the amount of \$306,481 with The Peoples State Bank. The loan bears interest at a rate of 7.75% and is collateralized by real estate. The loan is payable upon demand by The Peoples State Bank; however, as long as demand for payment is not made, the loan will be repaid in monthly installments of \$2,529 until its maturity on July 18, 2011, at which time, all remaining principal and accrued interest will be paid. As of December 31, 2005, the balance on the loan was \$306,481.

**9. LEASES**

The Housing Authority leases its building and certain equipment under noncancelable operating leases. The building is leased from Assisted and Safe Homes, Inc. at a rate of \$1,300 per month. The building lease expires on December 13, 2009. The Housing Authority expended \$10,511 under these leases during the year ended June 30, 2006. The following is a schedule of the future minimum lease payments of the operating leases:

**HOUSING AUTHORITY OF NATCHITOCHES PARISH**  
Natchitoches, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended June 30, 2006

| Year Ending<br>June 30,       | Amount           |
|-------------------------------|------------------|
| 2007                          | \$ 15,992        |
| 2008                          | 15,700           |
| 2009                          | 15,600           |
| 2010                          | 6,500            |
| Future minimum lease payments | <u>\$ 53,792</u> |

**10. LITIGATION AND CLAIMS**

At June 30, 2006, the Housing Authority is not involved in any known pending or threatened litigation, nor is it aware of any unasserted claims.

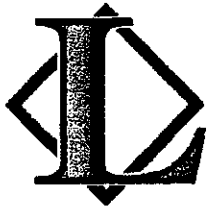
**11. COMMITMENTS AND CONTINGENCIES**

The Housing Authority operates in accordance with the requirements of two Annual Contribution Contracts. The Housing Authority's noncompliance with such contracts may result in a reduction of funding from HUD.

The Housing Authority participates in a number of federal grant programs. The programs are subject to compliance audits. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grant. Housing Authority management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

**Independent Auditors' Report Required  
by *Government Auditing Standards***

The following independent Auditors' report on compliance with laws and regulations and internal control are presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States, OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.



**LITTLE & ASSOCIATES LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

Wm. TODD LITTLE, CPA  
CHARLES R. MARCHBANKS, JR., CPA

**Independent Auditors' Report on Internal Control  
Over Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards***

To the Board of Commissioners  
Housing Authority of Natchitoches Parish  
Natchitoches, Louisiana

We have audited the financial statements of the Housing Authority of Natchitoches Parish as of and for the year ended June 30, 2006, and have issued our report thereon dated December 1, 2006. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Housing Authority of Natchitoches Parish's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Housing Authority of Natchitoches Parish's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

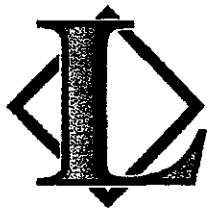


The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the board of commissioners and the management of the Housing Authority of Natchitoches Parish, federal awarding agencies, and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Little & Associates, LLC*

Monroe, Louisiana  
December 1, 2006



**LITTLE & ASSOCIATES LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

Wm. TODD LITTLE, CPA  
CHARLES R. MARCHBANKS, JR., CPA

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Commissioners  
Housing Authority of Natchitoches Parish  
Natchitoches, Louisiana

**Compliance**

We have audited the compliance of the Housing Authority of Natchitoches Parish with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2006. The Housing Authority of Natchitoches Parish's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Housing Authority of Natchitoches Parish's management. Our responsibility is to express an opinion on the Housing Authority of Natchitoches Parish's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority of Natchitoches Parish's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Housing Authority of Natchitoches Parish's compliance with those requirements.

In our opinion, the Housing Authority of Natchitoches Parish complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2006.

## Internal Control Over Compliance

The management of the Housing Authority of Natchitoches Parish is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Housing Authority of Natchitoches Parish's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Housing Authority of Natchitoches Parish, its management, federal awarding agencies, and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Little & Associates, LLC*

Monroe, Louisiana  
December 1, 2006

HOUSING AUTHORITY OF NATCHITOCHES PARISH  
Natchitoches, Louisiana

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2006

**A. SUMMARY OF AUDIT RESULTS**

**Financial Statement Audit**

1. The auditors' report expresses an unqualified opinion on the basic financial statements of the Housing Authority of Natchitoches Parish.
2. No reportable conditions relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit Performed in Accordance With *Government Auditing Standards*.
3. No instances of noncompliance material, as defined by *Government Auditing Standards*, to the financial statements of the Housing Authority of the City of Bossier City, Louisiana were disclosed during the audit.

**Audit of Federal Awards**

5. No reportable conditions relating to the audit of the major federal award program is reported in the Independent Auditors' Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133.
4. The auditors' report on compliance for the major federal award programs for the Housing Authority of Natchitoches Parish expresses an unqualified opinion on all major programs.
5. There were no audit findings relevant to the major federal award program for the Housing Authority of Natchitoches Parish.
6. The programs tested as major programs included:  

CFDA #14.871      Section 8 Housing Choice Voucher
7. The threshold used for distinguishing Type A and B programs was \$300,000.
8. The Housing Authority of Natchitoches Parish qualifies as a low-risk auditee.

**Schedule 1 (Continued)**

**HOUSING AUTHORITY OF NATCHITOCHES PARISH**  
Natchitoches, Louisiana

**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2006**

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

None

**C. FINDINGS - MAJOR FEDERAL AWARDS PROGRAM AUDIT**

None

**HOUSING AUTHORITY OF NATCHITOCHES PARISH  
Natchitoches, Louisiana**

**Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2006**

**Finding 2005-01 – Uninsured and Uncollateralized Deposits**

**Statement of Condition**

Louisiana Revised Statutes and HUD regulations require that the Housing Authority's bank deposits be fully secured at all times by either federal deposit insurance or pledged securities. At June 30, 2006, deposits with one financial institution were not adequately covered by federal deposit insurance or the pledge of securities.

**Status**

Resolved.

***Supplemental Information Schedules***

HOUSING AUTHORITY OF NATCHITOCHES PARISH  
Natchitoches, Louisiana

Schedule of Compensation Paid Board Members  
For the Year Ended June 30, 2006

The members of the Board of Commissioners serve a staggered five-year term without compensation. The Board consists of the following members at June 30, 2006:

Dr. Richard Galloway  
927 Nettie St  
Natchitoches, LA 71457  
352-4339 (H) 357-0232 (W)

Mr. John J Lewis  
P. O. Box 97  
Natchitoches, LA 71457  
352-3512

Mrs. Peggy Braxton  
142 Starlight Point  
Natchitoches, LA 71457  
354-2223  
357-1400 (curves)

Mrs. Elizabeth Dalton  
1688 Hwy 6  
Natchitoches, LA 71457  
352-4930 (H)  
471-3722(C)

Mr. Edward Ward, Jr.  
149 Martin Luther King  
Natchitoches LA 71457  
357-0695 (home)  
352-4405 (work)



NATCHITOCHES PARISH HOUSING AUTHORITY  
Natchitoches, Louisiana

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2006

| FEDERAL GRANTOR/<br>PASS-THROUGH GRANTOR NAME/<br>PROGRAM TITLE                                | CFDA<br>NUMBER | PASS-<br>THROUGH<br>GRANTOR'S<br>NUMBER | EXPENDITURES        |
|--|----------------|---|---------------------|
| UNITED STATES DEPARTMENT OF HOUSING AND<br>URBAN DEVELOPMENT                                   |                |   |                     |
| Direct Programs:   |                |   |                     |
| Public and Indian Housing  | 14.850         |   | \$ 194,699          |
| Section 8 Housing Choice Vouchers  | 14.871         |   | 1,209,550           |
| Public Housing Capital Fund  | 14.872         |   | 146,653             |
| Disaster Voucher Program   | 14.DVP         |   | 2,380               |
| Public Housing Family Self-Sufficiency under<br>Resident Opportunities and Supportive Services | 14.877         |   | <u>22,500</u>       |
| Total U.S. Department of Housing and Urban Development - Direct Programs                       |                |   | <u>1,575,782</u>    |
| UNITED STATES DEPARTMENT OF HOMELAND SECURITY  |                |   |                     |
| Direct Programs:   |                |   |                     |
| Katrina Disaster Housing Assistance Program  | 97.NA          |   | <u>1,609</u>        |
| Total U.S. Department of Homeland Security - Direct Programs                                   |                |   | <u>1,609</u>        |
| Total Expenditures of Federal Awards   |                |   | <u>\$ 1,577,391</u> |

**HOUSING AUTHORITY OF NATCHITOCHES PARISH**  
Natchitoches, Louisiana

**Notes to the Schedule of Expenditures of Federal Awards**  
For the Year Ended June 30, 2006

**1. GENERAL**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Housing Authority. The Housing Authority reporting entity is defined in Note 1 to the Housing Authority's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included on the schedule.

**2. BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the Housing Authority's basic financial statements.

**2. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

Federal awards revenues are reported in the Housing Authority's basic financial statements as follows:

|   |                    |
|---|--------------------|
| Public and Indian Housing   | \$ 194,699         |
| Section 8 Housing Choice Vouchers   | 1,209,550          |
| Public Housing Capital Fund   | 146,653            |
| Katrina Disaster Housing Assistance Program   | 1,609              |
| Disaster Voucher Program  | 2,380              |
| Public Housing Family Self-Sufficiency under Resident Opportunities and Supportive Services | <u>22,500</u>      |
| Total   | <u>\$1,577,391</u> |

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with U. S. generally accepted accounting principles.

**5. FEDERAL AWARDS**

In accordance with HUD Notice PIH 98-14, "federal awards" do not include the Housing Authority's operating income from rents or investments (or other non-federal sources). In addition, the entire amount of operating subsidy received during the fiscal year is considered to be "expended" during the fiscal year.

HOUSING AUTHORITY OF NATCHITOCHES  
Natchitoches, Louisiana

Actual Modernization Cost Certificate  
For the Year Ended June 30, 2006

1. The actual modernization costs for the completed modernization program is as follows:

|                          |                               |
|--------------------------|-------------------------------|
|                          | Grant<br>LA-48-P166501-<br>04 |
|                          | <hr/>                         |
| Funds Approved           | \$193,575                     |
| Funds Expended           | <u>193,575</u>                |
| Excess of Funds Approved | <u>NONE</u>                   |
| Funds Advanced           | \$193,575                     |
| Funds Expended           | <u>193,575</u>                |
| Excess of Funds Advanced | <u>NONE</u>                   |

2. The distribution of costs as shown on the Actual Comprehensive Grant Certificate dated May 25, 2006 for the above project is in agreement with the Housing Authority's records.
3. All modernization costs have been paid and all related liabilities have been charged through payment.

HOUSING AUTHORITY OF NATCHITOCHES PARISH  
Natchitoches, Louisiana

Financial Data Schedule  
For the Year Ended June 30, 2006

| Line Item #                           | Account Description  | Low Rent Public Housing | Public Housing Family Self-Sufficiency - Supportive Services | Public Housing Capital Fund | Section 8 Housing Choice Vouchers | Katrina Disaster Housing Assistance Program | Disaster Voucher Program | Component Unit | Totals     |
|---------------------------------------|--|-------------------------|--|-----------------------------|-----------------------------------|---|--------------------------|----------------|------------|
| <b>ASSETS:</b>                        |  |                         |  |                             |                                   |   |                          |                |            |
| <b>CURRENT ASSETS:</b>                |  |                         |  |                             |                                   |   |                          |                |            |
| <b>Cash:</b>                          |  |                         |  |                             |                                   |   |                          |                |            |
| 111                                   | Cash - unrestricted  | \$ 56,599               | -  | \$ -                        | \$ 196,551                        | -   | -                        | \$ 3,926       | \$ 257,076 |
| 113                                   | Cash - other restricted                                    | -                       | -  | -                           | 9,309                             | -   | -                        | -              | 9,309      |
| 114                                   | Cash - tenant security deposits                            | 8,858                   | -  | -                           | -                                 | -   | -                        | -              | 8,858      |
| 100                                   | Total Cash   | 65,457                  | -  | -                           | 205,860                           | -   | -                        | 3,926          | 275,243    |
| <b>Accounts and notes receivable:</b> |  |                         |  |                             |                                   |   |                          |                |            |
| 122                                   | Accounts receivable - HUD other projects                   | -                       | -  | 6,066                       | -                                 | -   | -                        | -              | 6,066      |
| 125                                   | Accounts receivable - miscellaneous                        | 17,445                  | -  | -                           | -                                 | 465   | -                        | -              | 17,910     |
| 126                                   | Accounts receivable - tenants - dwelling rents             | 239                     | -  | -                           | -                                 | -   | -                        | -              | 239        |
| 126                                   | Allowance for doubtful accounts - dwelling rents           | (200)                   | -  | -                           | -                                 | -   | -                        | -              | (200)      |
| 120                                   | Total receivables, net of allowances for doubtful accounts | 17,484                  | -  | 6,066                       | -                                 | 465   | -                        | -              | 24,015     |
| <b>Current investments:</b>           |  |                         |  |                             |                                   |   |                          |                |            |
| 131                                   | Investments - unrestricted                                 | 329,206                 | -  | -                           | 104,192                           | -   | -                        | -              | 433,398    |
| 142                                   | Prepaid expenses and other assets                          | 6,083                   | -  | 23,508                      | 68                                | -   | -                        | -              | 29,659     |
| 143                                   | Inventories  | 6,124                   | -  | -                           | -                                 | -   | -                        | -              | 6,124      |
| 144                                   | Inter-program - due from                                   | 13,783                  | 11,250   | 13,266                      | -                                 | 271   | 717                      | -              | 39,287     |
| 150                                   | TOTAL CURRENT ASSETS                                       | 438,137                 | 11,250   | 42,840                      | 310,120                           | 736   | 717                      | 3,926          | 807,726    |

**HOUSING AUTHORITY OF NATCHITOCHES PARISH**  
Natchitoches, Louisiana

Financial Data Schedule  
For the Year Ended June 30, 2006

| Line Item #               | Account Description                                 | Low Rent Public Housing | Public Housing Family Self-Sufficiency - Supportive Services | Public Housing Capital Fund | Section 8 Housing Choice Vouchers | Katrina Disaster Housing Assistance Program | Disaster Voucher Program | Component Unit | Totals       |
|---------------------------|---|-------------------------|--|-----------------------------|-----------------------------------|---|--------------------------|----------------|--------------|
| <b>NONCURRENT ASSETS:</b> |   |                         |  |                             |                                   |   |                          |                |              |
| <b>Fixed assets:</b>      |   |                         |  |                             |                                   |   |                          |                |              |
| 161                       | Land  | 221,890                 | -  | -                           | -                                 | -   | -                        | 63,000         | 284,890      |
| 162                       | Buildings   | 5,450,695               | -  | -                           | -                                 | -   | -                        | 237,000        | 5,687,695    |
| 163                       | Furniture, equipment & machinery - dwellings        | 101,318                 | -  | -                           | -                                 | -   | -                        | -              | 101,318      |
| 164                       | Furniture, equipment & machinery - administration   | 241,045                 | -  | 13,185                      | -                                 | -   | -                        | -              | 254,230      |
| 165                       | Leasehold improvements                              | 1,085,220               | -  | -                           | -                                 | -   | -                        | -              | 1,085,220    |
| 166                       | Accumulated depreciation                            | (5,008,463)             | -  | (4,395)                     | -                                 | -   | -                        | (6,284)        | (5,019,142)  |
| 167                       | Construction in progress                            | -                       | -  | 53,089                      | -                                 | -   | -                        | -              | 53,089       |
| 160                       | Total fixed assets, net of accumulated depreciation | 2,091,705               | -  | 61,879                      | -                                 | -   | -                        | 293,716        | 2,447,300    |
| 180                       | TOTAL NONCURRENT ASSETS                             | 2,091,705               | -  | 61,879                      | -                                 | -   | -                        | 293,716        | 2,447,300    |
| 190                       | TOTAL ASSETS  | \$ 2,529,842            | \$ 11,230  | \$ 104,719                  | \$ 310,120                        | \$ 736                                      | \$ 717                   | \$ 297,642     | \$ 3,255,026 |

HOUSING AUTHORITY OF NATCHITOCHES PARISH  
Natchitoches, LouisianaFinancial Data Schedule  
For the Year Ended June 30, 2006

| Line Item #                        | Account Description   | Low Rent Public Housing | Public Housing Family Self-Sufficiency - Supportive Services | Public Housing Capital Fund | Section 8 Housing Choice Vouchers | Katrina Disaster Housing Assistance Program | Disaster Voucher Program | Component Unit    | Totals              |
|------------------------------------|---|-------------------------|--|-----------------------------|-----------------------------------|---|--------------------------|-------------------|---------------------|
| <b>LIABILITIES AND NET ASSETS:</b> |   |                         |  |                             |                                   |   |                          |                   |                     |
| <b>LIABILITIES:</b>                |   |                         |  |                             |                                   |   |                          |                   |                     |
| <b>Current liabilities:</b>        |   |                         |  |                             |                                   |   |                          |                   |                     |
| 312                                | Accounts payable <=90 days  | \$ 19,388               | -  | \$ -                        | -                                 | \$ -  | -                        | \$ -              | \$ 19,388           |
| 321                                | Accrued wages/payroll taxes payable   | 4,881                   | -  | -                           | 1,066                             | -   | -                        | -                 | 5,977               |
| 322                                | Accrued compensated absences - current portion                                  | 4,260                   | -  | -                           | 2,060                             | -   | -                        | -                 | 6,320               |
| 331                                | Accounts payable - HUD PHA programs   | -                       | -  | -                           | -                                 | 465   | -                        | -                 | 465                 |
| 333                                | Accounts payable - other government   | 51,207                  | -  | -                           | -                                 | -   | -                        | -                 | 51,207              |
| 341                                | Tenant security deposits  | 8,858                   | -  | -                           | -                                 | -   | -                        | -                 | 8,858               |
| 342                                | Deferred revenues   | -                       | 11,250   | 13,266                      | -                                 | 271   | 717                      | -                 | 25,504              |
| 343                                | Current portion of long-term debt - capital projects/<br>mortgage revenue bonds | -                       | -  | -                           | -                                 | -   | -                        | 306,481           | 306,481             |
| 345                                | Other current liabilities   | -                       | -  | -                           | 9,309                             | -   | -                        | -                 | 9,309               |
| 347                                | Inter-program due to  | 13,266                  | -  | 6,066                       | 19,955                            | -   | -                        | -                 | 39,287              |
| 310                                | <b>TOTAL CURRENT LIABILITIES</b>  | <b>101,860</b>          | <b>11,250</b>  | <b>19,332</b>               | <b>32,420</b>                     | <b>736</b>                                  | <b>717</b>               | <b>306,481</b>    | <b>472,796</b>      |
| <b>Noncurrent liabilities:</b>     |   |                         |  |                             |                                   |   |                          |                   |                     |
| 354                                | Accrued compensated absences - non-current                                      | 5,492                   | -  | -                           | 4,352                             | -   | -                        | -                 | 9,844               |
| 350                                | <b>TOTAL NONCURRENT LIABILITIES</b>   | <b>5,492</b>            | <b>-</b>   | <b>-</b>                    | <b>4,352</b>                      | <b>-</b>                                    | <b>-</b>                 | <b>-</b>          | <b>9,844</b>        |
| 300                                | <b>TOTAL LIABILITIES</b>  | <b>107,352</b>          | <b>11,250</b>  | <b>19,332</b>               | <b>36,772</b>                     | <b>736</b>                                  | <b>717</b>               | <b>306,481</b>    | <b>482,640</b>      |
| <b>NET ASSETS:</b>                 |   |                         |  |                             |                                   |   |                          |                   |                     |
| 508.1                              | Invested in capital assets, net of related debt                                 | 2,091,705               | -  | 61,879                      | -                                 | -   | -                        | (12,765)          | 2,140,819           |
| 512.1                              | Unrestricted net assets   | 330,785                 | -  | 23,508                      | 273,348                           | -   | -                        | 3,926             | 631,567             |
| 513                                | <b>TOTAL NET ASSETS</b>   | <b>2,422,490</b>        | <b>-</b>   | <b>85,387</b>               | <b>273,348</b>                    | <b>-</b>                                    | <b>-</b>                 | <b>(8,839)</b>    | <b>2,772,386</b>    |
| 600                                | <b>TOTAL LIABILITIES AND NET ASSETS</b>   | <b>\$ 2,529,842</b>     | <b>\$ 11,250</b>   | <b>\$ 104,719</b>           | <b>\$ 310,120</b>                 | <b>\$ 736</b>                               | <b>\$ 717</b>            | <b>\$ 297,642</b> | <b>\$ 3,255,026</b> |

HOUSING AUTHORITY OF NATCHITOCHIES PARISH  
Natchitoches, LouisianaFinancial Data Schedule  
For the Year Ended June 30, 2006

| Line Item #                                 | Account Description                                     | Low Rent Public Housing | Public Housing Family Self-Sufficiency - Supportive Services | Public Housing Capital Fund | Section 8 Housing Choice Vouchers | Katrina Disaster Housing Assistance Program | Disaster Voucher Program | Component Unit | Totals     |
|---|---|-------------------------|--|-----------------------------|-----------------------------------|---|--------------------------|----------------|------------|
| <b>REVENUE:</b>                             |   |                         |  |                             |                                   |   |                          |                |            |
| 703   | Net tenant rental revenue                               | \$ 123,993              | \$ -   | \$ -                        | \$ -                              | \$ -  | \$ -                     | -              | \$ 123,993 |
| 704   | Tenant revenue - other                                  | 24,404                  | -  | -                           | -                                 | -   | -                        | -              | 24,404     |
| 705   | Total tenant revenue                                    | 148,397                 | -  | -                           | -                                 | -   | -                        | -              | 148,397    |
| 706   | HUD PHA operating grants                                | 194,698                 | 22,500   | 80,380                      | 1,209,550                         | 1,609                                       | 2,380                    | -              | 1,511,117  |
| 706.1                                       | Capital grants  | -                       | -  | 66,274                      | -                                 | -   | -                        | -              | 66,274     |
| 711   | Investment income-unrestricted                          | 11,907                  | -  | -                           | 4,357                             | -   | -                        | 30             | 16,294     |
| 714   | Fraud recovery  | -                       | -  | -                           | 6,243                             | -   | -                        | -              | 6,243      |
| 715   | Other revenue   | 18,621                  | -  | -                           | -                                 | -   | -                        | 25,069         | 43,690     |
| 700   | <b>TOTAL REVENUE</b>                                    | 373,623                 | 22,500   | 146,654                     | 1,220,150                         | 1,609                                       | 2,380                    | 25,099         | 1,792,015  |
| <b>EXPENSES:</b>                            |   |                         |  |                             |                                   |   |                          |                |            |
| <b>Administrative</b>                       |   |                         |  |                             |                                   |   |                          |                |            |
| 911   | Administrative salaries                                 | 91,982                  | -  | -                           | 53,295                            | -   | -                        | -              | 145,277    |
| 912   | Auditing fees   | 4,880                   | -  | -                           | 11,631                            | -   | -                        | -              | 16,511     |
| 914   | Compensated absences                                    | -                       | -  | -                           | 1,626                             | -   | -                        | -              | 1,626      |
| 915   | Employee benefit contributions - administrative         | 47,715                  | -  | -                           | 25,391                            | -   | -                        | -              | 73,106     |
| 916   | Other operating - administrative                        | 66,587                  | 22,500   | 26,041                      | 31,901                            | 1,080                                       | -                        | 14,871         | 162,980    |
|   | Subtotal  | 211,164                 | 22,500   | 26,041                      | 123,844                           | 1,080                                       | -                        | 14,871         | 399,500    |
| <b>Tenant services</b>                      |   |                         |  |                             |                                   |   |                          |                |            |
| 922   | Relocation costs  | 957                     | -  | -                           | -                                 | -   | -                        | -              | 957        |
| 924   | Tenant services - other                                 | 53                      | -  | -                           | -                                 | -   | -                        | -              | 53         |
|   | Subtotal  | 1,010                   | -  | -                           | -                                 | -   | -                        | -              | 1,010      |
| <b>Utilities</b>                            |   |                         |  |                             |                                   |   |                          |                |            |
| 931   | Water   | 1,039                   | -  | -                           | -                                 | -   | -                        | -              | 1,039      |
| 932   | Electricity   | 11,495                  | -  | -                           | -                                 | -   | -                        | -              | 11,495     |
| 933   | Gas   | 1,550                   | -  | -                           | -                                 | -   | -                        | -              | 1,550      |
| 938   | Other Utilities Expense                                 | 856                     | -  | -                           | -                                 | -   | -                        | -              | 856        |
|   | Subtotal  | 14,940                  | -  | -                           | -                                 | -   | -                        | -              | 14,940     |
| <b>Ordinary maintenance &amp; operation</b> |   |                         |  |                             |                                   |   |                          |                |            |
| 941   | Ordinary maintenance and operations - labor             | 52,159                  | -  | -                           | -                                 | -   | -                        | -              | 52,159     |
| 942   | Ordinary maintenance and operations - materials & other | 41,290                  | -  | 6,230                       | 55                                | -   | -                        | 2,458          | 50,033     |
| 943   | Ordinary maintenance and operations - contract costs    | 24,243                  | -  | 447                         | -                                 | -   | -                        | -              | 24,690     |

HOUSING AUTHORITY OF NATCHITOCHES PARISH  
Natchitoches, LouisianaFinancial Data Schedule  
For the Year Ended June 30, 2006

| Line Item # | Account Description  | Low Rent Public Housing | Public Housing Family Self-Sufficiency - Supportive Services | Public Housing Capital Fund | Section 8 Housing Choice Vouchers | Katrina Disaster Housing Assistance Program | Disaster Voucher Program | Component Unit | Totals      |
|-------------|--|-------------------------|--|-----------------------------|-----------------------------------|---|--------------------------|----------------|-------------|
| 945         | Employee benefit contributions - ordinary maintenance            | 27,612                  | -  | -                           | -                                 | -   | -                        | -              | 27,612      |
|             | Subtotal   | 145,304                 | -  | 6,677                       | 55                                | -   | -                        | 2,458          | 154,494     |
| 961         | General expenses   | 32,057                  | -  | 7,836                       | 5,869                             | -   | -                        | -              | 45,762      |
| 962         | Insurance premiums   | -                       | -  | -                           | -                                 | -   | -                        | 4,658          | 4,658       |
| 963         | Other general expenses   | 10,905                  | -  | -                           | -                                 | -   | -                        | -              | 10,905      |
| 964         | Payments in lieu of taxes  | 8,290                   | -  | -                           | -                                 | -   | -                        | -              | 8,290       |
| 966         | Bad debt - tenant rents  | -                       | -  | -                           | 14,522                            | -   | -                        | -              | 14,522      |
| 967         | Bad debt - other   | -                       | -  | -                           | -                                 | -   | -                        | -              | -           |
|             | Interest Expense   | -                       | -  | -                           | -                                 | -   | -                        | 20,605         | 20,605      |
|             | Subtotal   | 51,252                  | -  | 7,836                       | 20,391                            | -   | -                        | 25,263         | 104,742     |
| 969         | TOTAL OPERATING EXPENSES   | 423,670                 | 22,500   | 40,554                      | 144,290                           | 1,080                                       | -                        | 42,592         | 674,686     |
| 970         | EXCESS OPERATING REVENUE OVER OPERATING EXPENSES                 | (50,047)                | -  | 106,100                     | 1,075,860                         | 529   | 2,380                    | (17,493)       | 1,117,329   |
| 973         | Housing assistance payments                                      | -                       | -  | -                           | 940,367                           | 529   | 2,380                    | -              | 943,276     |
| 974         | Depreciation expense   | 242,976                 | -  | 4,395                       | -                                 | -   | -                        | 6,284          | 253,655     |
| 980         | TOTAL EXPENSES   | 666,646                 | 22,500   | 44,949                      | 1,084,657                         | 1,609                                       | 2,380                    | 48,876         | 1,871,617   |
| 1001        | OTHER FINANCING SOURCES (USES)                                   | 16,318                  | -  | -                           | -                                 | -   | -                        | -              | 16,318      |
| 1002        | Operating transfers in   | -                       | -  | (16,318)                    | -                                 | -   | -                        | -              | (16,318)    |
|             | Operating transfers out  | -                       | -  | -                           | -                                 | -   | -                        | -              | -           |
| 1010        | TOTAL OTHER FINANCING SOURCES (USES)                             | 16,318                  | -  | (16,318)                    | -                                 | -   | -                        | -              | -           |
| 1000        | EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES | \$ (276,705)            | \$ -   | \$ 85,387                   | \$ 135,493                        | \$ -  | \$ -                     | \$ (23,777)    | \$ (79,602) |



HOUSING AUTHORITY OF NATCHITOCHES PARISH  
Natchitoches, Louisiana

Financial Data Schedule  
For the Year Ended June 30, 2006

| Line Item # | Account Description  | Low Rent Public Housing | Public Housing Family Self-Sufficiency - Supportive Services | Public Housing Capital Fund | Section 8 Housing Choice Vouchers | Katrina Disaster Housing Assistance Program | Disaster Voucher Program | Component Unit | Totals       |
|-------------|--|-------------------------|--|-----------------------------|-----------------------------------|---|--------------------------|----------------|--------------|
| 1101        | Capital contributions  | \$ -                    | \$ -   | \$ -                        | \$ -                              | \$ -  | \$ -                     | -              | -            |
| 1103        | Beginning equity   | \$ 2,572,164            | \$ -   | \$ 127,031                  | \$ 137,855                        | \$ -  | \$ -                     | 14,938         | 2,851,988    |
| 1104        | Prior period adjustments, equity transfers, and correction of errors | \$ 127,031              | \$ -   | \$ (127,031)                | \$ -                              | \$ -  | \$ -                     | -              | -            |
| 1113        | Maximum Annual Contributions Commitment (Per ACC)                    | \$ -                    | \$ -   | \$ -                        | \$ 1,209,548                      | \$ -  | \$ -                     | -              | 1,209,548    |
| 1115        | Contingency reserve, ACC program reserve                             | -                       | -  | -                           | 27,503                            | -   | -                        | -              | 27,503       |
| 1116        | Total annual contributions available                                 | \$ -                    | \$ -   | \$ -                        | \$ 1,237,051                      | \$ -  | \$ -                     | -              | \$ 1,237,051 |
| 1120        | Unit months available  | 1,092                   | -  | -                           | 4,128                             | -   | -                        | -              | 5,220        |
| 1121        | Number of unit months leased   | 1,063                   | -  | -                           | 3,823                             | -   | -                        | -              | 4,886        |